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July 28, 2005

Camden City Council
City Hall
520 Market St.
Camden, NJ 08102

Re: Cramer Hill Study Area Redevelopment Plan

Dear City Council Members:

Please accept this letter as comments on the proposed Cramer Hill Study Area Redevelopment Plan ("Plan") from South Jersey Legal Services (SJLS) on behalf of the Ablett Village Resident Council, Centennial Village Tenants Action Council, and the Cramer Hill Residents' Association, as well as our 211 individual clients residing in the Cramer Hill neighborhood.

Since the presentation of the Redevelopment Study and Redevelopment Plan in the spring of 2004, our clients have repeatedly raised objections to Council's designation of Cramer Hill as an area of redevelopment on the grounds that the designation was neither supported by the evidence nor necessary to eliminate blight. The residents have also continuously objected to the adoption of the proposed redevelopment plan. We are attaching the comments SJLS submitted to the Planning Board on May 11, 2004 ("Planning Board Comments") as Exhibit "A", which set forth these objections in detail.

City Council has twice voted on this Plan, but has failed to adopt it consistent with the procedural requirements of the applicable laws. We incorporate by reference our prior comments to Council, with attachments and exhibits, which we submitted during the first and second attempts by Council to adopt the redevelopment plan.¹ We are now submitting these additional comments into the record at the second reading and the public hearing at the time of the third vote to adopt the Plan. These comments summarize our clients' objections to the Plan,

¹ Our understanding is that this "readoption" is intended to address procedural irregularities rather than make any substantive changes to the Plan and that no changes have in fact been made to the Redevelopment Plan since the City adopted it on June 30th. All of our prior objections therefore remain in full force and effect.



which include: 1) the widespread use of eminent domain against homeowners and the forcible displacement of thousands of renters and homeowners; 2) the inadequacy of the Plan's provisions for relocation and replacement housing; 3) the drastic changes proposed in land use and housing density which destroy the fabric of the community; and 4) the inappropriate use of public funding and the creation of an unwanted golf course. These comments also address some key developments that have taken place since the City's initial adoption of the Plan, and provide a brief explanation of the legal grounds upon which we challenging the Plan.

I. THE CITY SHOULD REVITALIZE THE CRAMER HILL COMMUNITY WITHOUT DISPLACING RESIDENTS FROM THEIR HOMES

City Council should reject this Plan because it requires drastic use of the powers of eminent domain that infringe upon the rights of homeowners, taxpayers, business owners, and long-time residents, disrupts the lives of thousands of residents, and destroys the fabric of this community.

First, the designation of Cramer Hill as a redevelopment area puts *all* property owners and residents in the redevelopment zone at risk of losing their homes and/or their property, forcing them to live under a cloud of uncertainty for the 25 year period during which the plan would be in effect.

Second, even if the City were to limit the use of eminent domain powers to the properties listed in the Plan as "to be acquired" or "may be acquired", this proposed expansive use of the power of eminent domain is unjustified. The implementation of the proposed Cramer Hill Redevelopment Plan requires acquisition of as many as 1,200 homes and displacement of 4,164 people.² It is this aspect of the Plan which has provoked the strongest outcry from the community since the "Cherokee proposal" was made public. Residents have testified at numerous public hearings about the hardship that they would experience if their homes were taken. Many homeowners have invested significant money and labor into their properties. They have attachments to their homes and to the community. It is well-documented that forcible relocation causes stress, uncertainty, and hardship. Cramer Hill residents stand not only to lose their financial investment, but their sense of community, their ties to friends and families, and their support networks. Some residents would be uprooted from an area they lived in for most of their life. Children would have to go through the trauma of changing schools. Some residents who now live within close distance of their places of employment would have a great difficulty maintaining their jobs if they have to move. The residents consider it unjust to take the property of those who have paid their taxes, maintained their houses, and have remained in Camden through the hardest of times. It is especially tragic for the many seniors, disabled, and low-income working families who may never be able to be homeowners again to lose their homes.

Third, it is possible to revitalize Cramer Hill without the forcible taking of people's homes. The City could achieve its goals of revitalizing the community by designating the neighborhood as an "area in need of rehabilitation" pursuant to N.J.S.A. 40A:12A-14. That designation would enable the City to undertake a comprehensive program of neighborhood improvement and rebuilding, using the same methods as it would in an area declared in need of

² The median family size in Cramer Hill, according to the 2000 Census, is 3.4 persons. See Census Data, attached as Exhibit C.

redevelopment, but would not require meeting the stringent criteria of Section 40A:12A-5, would not infringe upon the rights of property owners through the threat of eminent domain, and would not stigmatize the community as a blighted area. The City could also target discrete sections within Cramer Hill that may meet the statutory requirements if necessary to abate nuisances or eliminate severe blight. There are vacant areas of land throughout Cramer Hill which could accommodate new housing units and other neighborhood improvements and amenities. Single family homes could be constructed throughout the neighborhood as infill housing. Larger developments could be built in undeveloped areas closer to the Delaware River and in former industrial and commercial sites. The City's proposed use of eminent domain to take 1,200 homes is clearly unjustified.

II. THE PLAN DOES NOT ADEQUATELY PROVIDE FOR RELOCATION OR REPLACEMENT HOUSING

Despite its drastic proposal to dislocate close to one third of the population of Cramer Hill, the Plan does not explain how it will meet the housing needs of the displaced residents. As explained in detail below, the residents are predominately very low income, and due to the housing crisis in this state and region, will face great difficulty in securing decent replacement housing they can afford. The Plan contains only vague provisions about what replacement housing will be created, and does not provide any guarantees that the new units will be affordable and available to the families which lose their homes through redevelopment. The relocation benefits promised to residents will not be sufficient to make them whole. The Housing Strategy and the first Workable Relocation Assistance Plan ("WRAP"), which have been developed by the City since the introduction of the Plan, as well as the verbal promises made by City officials about replacement housing, have never been incorporated into the Redevelopment Plan. In addition, even if the City's statements were incorporated into the Plan, these promises are unfeasible and do not ensure that residents will be afforded realistic housing opportunities. Finally, the City's ambitious redevelopment plans for other neighborhoods throughout Camden further exacerbate the housing shortage and make it less feasible to replace lost affordable units in Cramer Hill.

A. Residents of Cramer Hill who face displacement are likely to incur great hardship and risk living in unsafe and inadequate housing if this Plan is implemented.

Cramer Hill residents would lose their homes because of the redevelopment project face the risk being homeless, being forced to live in substandard, overcrowded housing, or paying more than they can afford for housing. Most residents in the neighborhood are low-income. As illustrated by the GIS Map % Below Poverty, attached as Exhibit B³, well over one-third of households in Cramer Hill have incomes below the federal poverty line, and median incomes in different sections of the neighborhood range from \$15,560 to \$31,071. In addition, a significant number are elderly or disabled.⁴ Most of these families are classified for purposes of HUD⁵ and

³ This map was obtained from the Camden Resources website, www.camdenresources.org. See also 2000 Census Data, attached as Exhibit C.

⁴ See data on housing and the disabled, attached as Exhibit G.

⁵ United States Department of Housing and Urban Development ("HUD") establishes categories of households for purposes of determining eligibility for housing subsidies and affordable housing programs.

COAH⁶ standards as either very low-income, earning 50% or less of Area Median Income (AMI), or extremely low-income, earning no more than 30% of AMI.

Lower-income Cramer Hill homeowners were able to take advantage of the low housing prices in Camden City and purchase their properties for an affordable price. Cramer Hill homes are affordable, averaging only \$42,900, according to the 2000 Census.⁷ There are also opportunities for low-income renters in Cramer Hill, as the median rent in the area is only \$413. As discussed in greater detail in the Comments to the Planning Board, there is a severe housing affordable housing shortage in this state, however, The same 2000 Census data shows that median price for homes is \$111,200 in Camden County and \$167,900 in the state, more than double and triple the price of Cramer Hill homes. According to the Census, the median monthly rents for New Jersey and Camden County are also much higher than in Cramer Hill --\$672 and \$554 respectively.⁸ Housing prices have risen dramatically since the time of the last Census, making homes outside of Camden City even further out of reach for Cramer Hill residents.

If Cramer Hill homeowners lose their homes through condemnation, many would not be able to afford replacement homes or even qualify for a new mortgage, because of limited incomes, poor credit, and/or limited equity in their homes.⁹ Displaced Cramer Hill residents would also encounter difficulties in the rental market. According to HUD and COAH standards, an extremely low-income household, earning \$20,460, can afford a monthly rent of only \$512, so that median rents in this region are clearly out of range for extremely low-income households. The communities surrounding Camden, such as Pennsauken, Haddonfield, Collingswood, and Cherry Hill, have very little available rental housing. Many former Camden residents have found apartments in Lindenwold, and those apartment complexes in Lindenwold are now also slated for demolition because of proposed redevelopment plans. Because of the high price of rental housing, displaced residents would be likely to face great difficulty in securing affordable, safe and decent rental units, and risk living in over-crowded and substandard conditions and paying excessive housing costs.¹⁰ Not surprisingly, 75.6% of very low-income homeowners and 70% of very low-income renters in Camden County are forced to pay over 30% of their income as rent, and close to half pay over 50%.¹¹

Various affordable housing programs, including public housing and Section 8 enable even very low income families to secure affordable units, Subsidized affordable housing options are extremely limited, however. The pool of public housing units in the City has shrank from 1688 to about 1118 units. The Section 8 program has also been cut back in funding. There are few affordable housing programs that provide housing affordable to very low income

⁶ Eligibility for New Jersey housing programs is generally set by the Council on Affordable Housing (“COAH”), which determines each municipalities “fair share” of affordable housing.

⁷ See 2000 Census Data, attached as Exhibit C.

⁸ See 2000 Census Data, attached as Exhibit C.

⁹ Using a rule of thumb that a household can afford a home priced at two times the annual income, and assuming that the purchaser has good credit and reliable income, qualifying the family for financing, a typical Cramer Hill household could purchase a home worth between \$40,000 and \$60,000. Families would find very few decent housing options at that price.

¹⁰ See LSNJ Report, “The Critical Shortage of Affordable Housing in New Jersey, attached as Exhibit E.

¹¹ See Letter of A. Beveridge, attached as Exhibit D, and Out of Reach 2003 report, attached as Exhibit H.

households, such as those earning 30% of AMI. This leaves little doubt, therefore, that Cramer Hill residents would be likely to face great difficulty in securing affordable, safe and decent housing and risk living in over-crowded and substandard conditions and paying excessive housing costs.

B. Legally required relocation benefits are not enough to make residents whole.

The proposed Plan makes reference to state relocation laws and regulations, including the development of a Workable Relocation Assistance Plan (“WRAP”) and the payment of state-required benefits. The City’s promise to comply with applicable law is of small comfort to families facing displacement. The relocation law only requires the City to identify comparable units in the region. It does not require the City to create any replacement units, so it does not protect against the loss of affordable housing. It also does not ensure that residents will be able to remain in Cramer Hill or in Camden City. See N.J.S.A. 52:31B-5; N.J.A.C. 5:40-6.1. In addition, the amount of money that residents are eligible to receive does not protect them against paying unaffordable housing costs. Relocation benefits for homeowners cover only moving costs and a \$15,000 payment to cover the difference in price between the original and the replacement home. If a family is forced to move from a house valued at \$45,000, for example, they must find a replacement unit that costs less than \$60,000, or they will not be able to use the relocation benefits to acquire a replacement unit. For renters, relocation benefits cover the difference between the original rent and the rent for a replacement unit up to a maximum amount of \$4,000 over 3 years. That means it would cover an increase of only slightly more than \$100 per month, and only for the first three years of residency. See N.J.A.C. 5:40-5.3(b).

C. The Plan does not contain the assurances made to the residents about replacement housing

City officials have responded to the outcry of residents by making promises that a replacement unit will be built for each unit before it is acquired and that displaced residents will be afforded an opportunity to occupy these units. They have also promised that displaced homeowners will be provided a new house without incurring any new financial burdens, i.e. they will end up with the same amount of mortgage as at their original home.

The Plan, however, which will legally govern this redevelopment does *not* contain any of these promises. It states only that “comparable replacements will be provided from the existing Camden area housing market for the temporary and permanent relocation of those Cramer Hill residents who are eventually displaced as a result of this redevelopment plan”. It also states that “this will include up to 1,200 new and rehabilitated replacement units” which “will afford those who live in the neighborhood the opportunity to remain or return to Cramer Hill”. (Plan, p.22). The Plan does *not* guarantee that any replacement units will be built before homes are taken. It does *not* state that the new units will be realistically affordable to current residents. The Plan also does *not* specify whether current residents would automatically qualify or be given first priority for new units, as opposed to undergoing eligibility screening and/or being placed on a waiting list. In fact, the Plan does not contain any analysis of existing market conditions in Camden or the surrounding area, or make mention of housing being lost through redevelopment in other Camden neighborhoods or in surrounding towns. Nor does it contain any analysis of the residents’ income levels and price of both the replacement housing and other housing in the

region. As such, it fails to meet the minimal requirements of the Local Redevelopment and Housing Law (“LRHL”) regarding relocation, and makes it impossible to evaluate whether it is feasible to provide replacement units that would be truly affordable to the low-income families facing displacement.

It is up to this governing body to enact an ordinance that fully complies with the LRHL and protects residents against displacement. If this Plan is adopted without adequate protections, Council will not be directly overseeing its implementation and will have the opportunity in the future to make sure that the City’s promises are honored.

D. It is unfeasible to replace all homes acquired by through this Plan with new housing units that will be truly affordable to current residents

Even if the City were to attempt to meet its promises regarding replacement units in a manner consistent with this Plan, the City has not demonstrated that it would be feasible. On the contrary, there are several reasons why it would be virtually impossible to do.

The City and Cherokee is attempting to sell this Plan and justify the extreme hardship it is causing to Camden residents by touting the unprecedented private investment that is supposed to pour into Camden as a result of this redevelopment project. It has become increasingly clear, however, that this private investment exists only on paper, in the budget which estimates the costs for the project. Although the Plan itself calls for extensive private funding of housing development, and the Cherokee Proposal¹² states that Cherokee and its developer partners will finance 90% of project costs, information that has come to light since the time the Plan was presented cast serious doubt on the availability of such private investment. In the course of trial preparation, counsel for the parties challenging the Plan deposed Mr. Anselm Fusco, Vice President of Cherokee Investments, who testified that Cherokee’s interest in the site was based upon availability of the Harrison Avenue Landfill, and Cherokee has no involvement in the housing development planned for Cramer Hill.¹³ He could not identify any developers that would be building either affordable or market rate housing or provide any information as to the financing for housing construction.¹⁴

City officials have acknowledged that there are no commitments of funding for affordable housing at this time except for a conditional award of LIHTC allocation to the Michaels Development Corporation for 162 new rental units.¹⁵ No other developers have presented any proposals for either affordable or market rate housing. It has also become evident that the City, CRA, and developers will be relying on the usual public funding sources for creation of replacement housing units. In addition, neither the City nor the Housing Authority has been able to provide any specific information as to how the very low income households in

¹² “Cherokee Proposal” refers to the Response by Cherokee to the Camden Redevelopment Agency’s Request for Proposals which led to the CRA designating Cherokee as the “conditional developer” in December, 2003.

¹³ See Excerpts of Fusco Deposition, attached as Exhibit K.

¹⁴ See Excerpts of Fusco Deposition, attached as Exhibit K..

¹⁵ See Excerpts of Primas Deposition, attached as Exhibit I and Excerpts of De Deposition, attached as Exhibit J.

Ablett and Centennial Village would be housed if these developments were demolished. Various representatives of the Housing Authority and the City have proposed that Michaels' project will serve as replacement units for Ablett Village, but in other documents and statements claim that those LIHTC units have no relation to the public housing development and will not be operated as public housing.¹⁶

Funding for affordable housing, however, is extremely limited. All of the funding sources that are identified by the City are limited pots of money, and securing grants under these programs is very competitive. Attached as Exhibit H is a chart showing the total amount of funding available under the affordable housing programs that are listed as potential funding sources in the Plan. The chart makes evident that these programs produce a very small number of units throughout the state, meeting only a fraction of the need. (See more detailed comments about the need for affordable housing in the Planning Board comments). For the Low Income Housing Tax Credits ("LIHTC") program, for example, each city in the state is limited to a maximum number of three projects per year. At the same time, the funding for various housing programs is being drastically curtailed.

Camden already relies on the LIHTC program and the other identified funding sources to build new and replacement rental units throughout the City. Attached as Exhibit I and J are two charts which shows what projects are already in the pipeline in Camden City, and how much money has already been tapped by the City from these programs. SJLS has been informed that there are 25 tax credit projects currently being planned in Camden. Meanwhile, there is new demand for affordable housing construction in Camden. The City has recently been awarded a new HOPE VI grant for Roosevelt Manor which calls for creation of over 500 new units, and requires matching funding from other sources. The City is relying on LIHTC funding for that project. Even more significantly, the City is preparing redevelopment plans for *all* the neighborhoods in Camden.¹⁷ Several of these plans call for extensive use of eminent domain and acquisition of large numbers of occupied homes. The combined number of occupied residences to be acquired in the plans that have been adopted thus far, excluding Cramer Hill, is 527, excluding an unspecified number in Centerville, and the proposed redevelopment plans for Lanning Square and Central Waterfront require acquisition of 221 more homes.¹⁸ The City proposes building replacement affordable units in each of these neighborhoods, again tapping the same limited funding sources.

In addition, even if the City were to produce 1,200 units of what is considered "affordable housing", that does not guarantee that *any* of those units would be affordable to current Cramer Hill residents. As shown in the chart attached as Exhibit L, the programs identified by the City generally provide units that are affordable to families earning 50% or 80% of AMI, for which the extremely low-income families of Cramer Hill are not likely to qualify. Exhibit O is a chart that shows income levels for those categories. A family of 3 qualifies as low income if it receives \$30,690, and a family of 4 if it receives \$34,100. Since the median income in most areas of Cramer Hill is below \$30,000, current residents would not qualify even for exclusively "low-income" housing developments.

¹⁶ See Excerpts from Camden Redevelopment Agency documents, attached as Exhibit Q.

¹⁷ See excerpts from Primas Deposition, attached as Exhibit I

¹⁸ See Redevelopment Plans posted on Camden City website.

Given this funding climate and current housing conditions, it is against the interests of all City and area residents to destroy the existing affordable housing units in Cramer Hill. Ablett and Centennial Village are close to fully occupied and have passed recent HUD housing inspections. The lengthy waiting lists for the developments demonstrate the great need for this housing. The homes that were fixed up and have maintained by hardworking lower income families are also a valuable housing resource that should be preserved.

E. The City's proposed housing "Strategy" does not protect residents against displacement or validate the Plan

Since the adoption of the Plan, the CRA has issued the "Cramer Hill Community Revitalization Plan: A Housing Production and Implementation Strategy" ("Strategy"), dated October 2004, which sets forth the City's goal of creating a sufficient number replacement units which would enable displaced families to remain in Cramer Hill. This Housing Strategy is not a substitute for a meaningful relocation provision, as this document has not been incorporated into the Plan or adopted as a separate ordinance, and therefore does not have the force of law. In addition, even if it were incorporated into the Plan, it would not address all of the residents' concerns regarding displacement and relocation.

First, the Strategy mirrors the Plan with regard to the acquisition proposals, and is based upon the assumption that the City will acquire close to 1,000 occupied homes. As discussed above, that expansive use of the powers of condemnation and the drastic proposed change in the fabric of this community is unwarranted.

Second, the Strategy does not ensure replacement units will be made available before displacement occurs. In fact, the Strategy states that 300 owner-occupied homes will be demolished between 2005 and 2008, but the construction of new homeowner units will be phased in and not completed until 2009 or 2010.

Third, the Strategy is not economically feasible. It requires expenditure of over \$150 million to build 1,000 replacement units, but fails to identify either concrete funding commitments or even likely available sources of funding for creation of housing affordable to families earning below 50% and 30% of AMI. As discussed above, funding for affordable housing is very limited and grant awards highly competitive.

Fourth, the Strategy contains misleading, incomplete, and inconsistent information. It does not explain how the City intends to fulfill its promise of replacement affordable housing for displaced homeowners.¹⁹ The development charts show that there is \$100,000 gap between the costs of development, which is estimated at \$150,000, and what an average family can afford. The Strategy acknowledges that the HMFA provides a maximum subsidy of \$50,000 for low-

¹⁹ The stated promise is that every homeowner will end up with a home, and that the prices will be "adjusted" so that if the homeowner has no mortgage, he or she will not need a mortgage, and if the homeowner does have a mortgage, that homeowner will end up with a mortgage in the same amount, claiming that subsidies will fill the gap between the development cost and the amount the homeowner will pay for the home.

income units, and does not explain where the City or developer would obtain the remaining \$50,000. Furthermore, the analysis of the Strategy is flawed because it is based on an assumption that based upon income, Cramer Hill households can afford to pay \$50,000 as the purchase price for a home. The amount, however, that a family will have available toward the purchase price will be based upon the fair market value of their home. If the City wants to meet the promise that they the family will incur no financial harm, then the amount of the financing gap will also be determined by the amount of the mortgage and any other liens on the property.

The Strategy also does not make clear how the City will be able to provide affordable replacement units for displaced renters. With respect to the public housing (Ablett Village) and project-based Section 8 (Centennial Village), it assumes that the renters may get portable vouchers and then use them at other locations, including new LIHTC hard units. It is not reasonable to assume that sufficient funding will be available for vouchers, however, and this mechanism provides much less security and long-term affordability for those very vulnerable populations than the existing subsidized hard units. In addition, the City has proposed building only 162 LIHTC units in Cramer Hill to date, while proposing to demolish the existing 506 subsidized units. The Strategy also states that displaced renters will get a “priority” for rental or sale replacement units. Considering that the average Cramer Hill household earns only \$25,450 (34% AMI), these renters will not be able to afford unsubsidized new units. The only new apartments proposed in the Strategy are LIHTC units, which as explained above, are not necessarily affordable to very low income households.

F. When the City made its first attempts to acquire homes and displace residents in Cramer Hill, it failed to develop an adequate WRAP and to provide those residents with affordable replacement homes in the community.

On February 10, 2005 this Council adopted an ordinance authorizing acquisition of 72 properties in Cramer Hill by eminent domain.²⁰ All of these properties are listed in the Plan as properties which “may be acquired”. In April, the City moved forward with condemnation of 19 parcels located in what is labeled sites “E” and “F” in the Strategy and the Acquisition Ordinance. Sites E and F contain 16 occupied homes. SJLS, on behalf of its individual clients and the Cramer Hill Resident Association, applied to the Superior Court for an injunction stopping the City from using eminent domain to acquire these properties. On April 8, 2005 Judge Orlando issued an injunction, which still remains in place.

The City was required to prepare a WRAP before initiating condemnation proceedings for these properties.²¹ This first WRAP is attached as Exhibit P. The City has repeatedly stated in public hearings and community forums that the promises regarding relocation and replacement units do not properly belong in the Redevelopment Plan, but will be set forth in the WRAP. This

²⁰ It was entitled “Ordinance Authorizing the Acquisition of Certain Parcels of Land in the City of Camden by Eminent Domain for the Purpose of Construction or Rehabilitation of Low and Moderate Income Housing the Cramer Hill Section of the City of Camden”, and will be referred to in these comments as “Acquisition Ordinance”.

²¹ The New Jersey Relocation Assistance Act, N.J.S.A. 52:31B-5 and its enforcing regulations, N.J.A.C. 5:40-6.1, require that a governmental entity that is displacing residents prepare a Workable Relocation Assistance Plan (WRAP). This WRAP must be submitted to the New Jersey Department of Community Affairs for approval. No relocation activities may take place until the WRAP is approved.

first WRAP, however, does *not* incorporate these promises, as it does not identify *any* affordable housing units were created or set aside as replacement units for the displaced families.²² It is also woefully deficient in other regards, and does not meet even the minimal requirements under the relocation laws.²³

The first families that were slated to be relocated as a result of this Plan were offered between \$50,000 and \$55,000 for their homes, plus \$20,000 in relocation benefits. Prior to the issuance of the injunction, the City was poised to proceed with eminent domain. If the process was not legally challenged, the City would be able to acquire title and dispossess the

²² The WRAP includes a chart of housing units in the area, which shows that there is a total of 13 rental units and 55 sales units available. It provides no information regarding the location or price of any of these units. Furthermore, it is impossible to determine whether these units are currently available or being planned for future development. The only explanation offered as to the source of available units mentions future work with an unnamed developer to build replacement units in Cramer Hill, future information on housing development in the City of Camden, the existence of non-profit housing providers in the region which have provided available housing in the past, future collaboration with the state HMFA to locate vacancies in existing developments and to obtain information on units to be built, and the option of using local realtors to locate comparable homes.

²³ The WRAP does not meet the prescriptions of N.J.S.A. 52:31B-5 (b). First, it fails to provide adequate information about available replacement housing. The chart described in footnote __ above, does not contain sufficient data to ascertain whether the units meet the statutory criteria of “decent, safe, and sanitary dwelling units at prices or rents within [the displaced person’s] needs and in areas reasonably accessible to his place of employment and not generally less desirable in regard to public utilities and public and commercial facilities”. N.J.S.A. 52:31B-5(b)(2). Second, the WRAP is improperly limited in scope, as it purports to set forth a plan for relocation of residents in ‘Designated Redevelopment Areas E & F’, as opposed to looking at the Cramer Hill redevelopment area as a whole. The actual “Redevelopment Area” is the area determined to be in need of redevelopment pursuant to the Local Redevelopment and Housing Law (LRHL), N.J.S.A. 40A:12A-5, for which a redevelopment plan has been adopted pursuant to N.J.S.A. 40A:12A-7. This area is the entire Cramer Hill neighborhood. Without looking at the totality of circumstances, it is impossible to identify units which will be available for displacees, assist in minimizing hardships to displacees, determine the extent of the need of each displaced for relocation assistance, and assure the availability of decent, safe, and sanitary replacement housing at prices and rents within the displacees’ means, as required by N.J.S.A. 523B-5(b); N.J.A.C. 5:40-6.1(c). Most glaringly, the WRAP does not contain “such measures, facilities, techniques or services as [are] necessary or appropriate” under requirement (6) “to secure to the greatest extent practicable, the co-ordination of relocation activities with other project activities and other planned or proposed governmental action in the community or nearby areas which may affect the execution of the workable relocation program”. N.J.S.A. 52:31B-5 (b). Not only the entire Cramer Hill Redevelopment Area, with proposed relocation of 1,200 families, but other neighborhoods in the City which are undergoing redevelopment, such as the Bergen Square community, where a redevelopment plan calls for taking of 487 occupied housing units, fall within the definition of “in the community or nearby areas” for which “other project activities and other planned or proposed governmental actions” exist. The WRAP submitted by the City, however, purports to address the needs of a total of sixteen (16) families and forty (40) people. The WRAP also failed to address the fact that persons and business concerns other than those actually displaced will suffer substantial economic injury as a result of the actual displacement of certain households. Compliance with the Act requires that the commissioner and the unit of local government determine if such injury will occur and, if so, create and implement a WRAP which will provide those affected parties with relocation services. N.J.S.A. 52:31B-5 (a).

homeowners within 34 days of making the offers to purchase. The City has not identified or offered the homeowners any affordable replacement homes.

The City has countered in its submissions to the Court in opposition to the injunction that this first phase of acquisitions is being done pursuant to the New Jersey Fair Housing Act, independently of the Plan. This proposition is contradicted by all the circumstances, including statements by City officials, developers, and the Housing Authority that the units are intended to replace Ablett Village, and the fact that the properties are listed as properties to be acquired in both the Plan and the Strategy.²⁴

The City's first steps toward implementing the Plan makes evident, therefore, the illusory nature of the City's promises regarding relocation and replacement housing.²⁵ It also makes real the hardship that will be experienced by residents facing displacement.

III. THE PLAN PROPOSES DRASTIC CHANGES TO THE NEIGHBORHOOD WHICH HAVE NOT BEEN EVALUATED FOR FEASIBILITY OR ECONOMIC IMPACT, AND WHICH WOULD NOT BE IN THE INTERESTS OF CURRENT CITY RESIDENTS.

In addition to the displacement and relocation issues, Cramer Hill residents have voiced opposition to the Plan because it proposes sweeping changes to the community that are not in the interests of Cramer Hill and other City residents. These include: 1) rezoning the residential core, greatly increasing population density by eliminating the restrictive Residential 1A zoning and increasing allowable unit density from 14.5 units per acre to 100 units per acre; 2) doubling the population of Cramer Hill; 3) building 5,000 high cost housing units, drastically altering housing market conditions and property tax assessments; 4) upsetting the balance between homeowners and renters by acquiring homeowner units and building significant numbers of new rental units; 5) reusing a contaminated site by building an unwanted golf course; 6) creating new traffic access into the neighborhood; 7) changing environmental conditions, including filling of wetlands and flood plains, and 8) threatening local small businesses with displacement and new competition.

At the same time, while the City has claimed that it is bringing in \$900 million in private investment through this Plan, the only private funding commitment is the limited investment proposed by Cherokee Camden. Cherokee Camden has stated that it will pursue closure of the Harrison Avenue Landfill and creation of a golf course on the site.²⁶ Cherokee can recover most of its costs through brownfields remediation funding. Cherokee has not committed to financing any other aspect of the project. Mr. Primas and Mr. De have both admitted at their depositions that NJ DOT has indicated that it is likely to fund the building of a new access road, and has

²⁴ See documents attached as Exhibit Q.

²⁵ Although Mr. Primas at one time had promised at a public meeting that replacement units would be made available before anyone is displaced, he apparently has reneged on the promise, stating at his deposition that it was impractical to do so in all cases. See Primas Deposition, Exhibit I

²⁶ See excerpts of Fusco Deposition, attached as Exhibit K

committed funding for some pre-development costs, but no other public or private funding has been secured.²⁷

Furthermore, the City has not conducted any feasibility analysis as to whether this project is realistic, whether necessary public funding can be secured and whether it represents a sound investment of taxpayer dollars, whether it is reasonable to anticipate private investment of the magnitude called for in the Plan, and what will the economic impact of this development on the City, the local businesses, and the region's economics. COO Primas testified at his deposition that the City had not done any analysis of the housing market in relation to the proposed 5,000 units. He also acknowledged that they City had no hard figures on housing construction costs, and that City had not done a feasibility study regarding the golf course.²⁸ Mr. De testified that the City accepted Cherokee's figures regarding the public financing needed, without doing any independent analysis.²⁹

It is apparent that this redevelopment project is being driven by the interests of a particular developer, rather than the needs of Cramer Hill and Camden City residents. Cherokee Camden was selected as "conditional developer" in December of 2003, before a needs study was conducted and any redevelopment plans were presented to the public and considered by this governing body. Cherokee funded the costs of the Camden Redevelopment Agency to enable it to develop and promote the Cherokee Proposal, even before the formal adoption of a redevelopment plan.³⁰ This Plan has clearly been designed to be consistent with the Cherokee Proposal, and the needs of Cherokee for space to build a golf course and other uses as designated in the Cherokee Proposal have taken complete precedence over legitimate interests of Cramer Hill residents. It would be arbitrary and unreasonable for Council to approve such a massive project without a full understanding of its financial, environmental, social, and other impacts, and without properly weighing the competing interests involved.

IV. COUNCIL SHOULD NOT REJECT THE RECOMMENDATIONS OF THE PLANNING BOARD

In an apparent effort to address resident concerns, the Planning Board recommended six amendments to the Plan: that the City incorporate the relocation and replacement housing guidelines that had been articulated at public meetings into the Plan, that appraisals of the property the City takes from current owners be based upon not only local housing prices, but prices in the region, that relocation occur only after new units are made available, with residents receiving first priority for the new units, that existing businesses be incorporated in the project, and that other uses for the Harrison Avenue Landfill rather than golf course be considered.

²⁷ See Excerpts from Primas Deposition, attached as Exhibit I and Excerpts from De Deposition, attached as Exhibit J.

²⁸ See Excerpts from Primas Deposition, Exhibit I.

²⁹ See Excerpts from De Deposition, Exhibit J.

³⁰ Cherokee Camden paid \$250,000 into an escrow account to be used by the Redevelopment Agency to pay for its activities related to this project, including a portion of staff salaries. That funding has been fully expended. See Excerpts of De Deposition, attached as Exhibit J, and Excerpts from Fusco Deposition, Exhibit K.

The Ordinance now before Council rejects all of these recommendations without a solid basis for doing so. The Ordinance states that the Housing Strategy satisfies the Planning Board's concerns regarding relocation and replacement units. However, the Strategy is not incorporated into the Plan, and as discussed above, it does not protect residents against displacement. In addition, the Ordinance misconstrues the Plan by stating that the Plan ensures that residents will be afforded an opportunity to remain in the neighborhood.

The Ordinance also rejects the recommendation to appraise the property the City takes from current owners with a view to the costs of replacement housing in a wider region. As recognized by the Planning Board, as set forth in our comments, and as readily available from U.S. Census data, the market sale value of housing in Cramer Hill is significantly below that in Camden County or the State of New Jersey. Because of this, City officials have promised, at numerous public meetings, that residents who would be displaced would be made whole through the City's proposed relocation plan, enabling them to acquire a replacement unit without incurring any new financial burden. The City should incorporate that promise into the Plan as recommended by the Planning Board.

The Ordinance also rejects the recommendation to consider other uses for the Harrison Avenue Landfill rather than golf course, ignoring the position of the vast majority of speakers at the Planning Board public hearings, who stated their desire that the newly created open space at the Harrison Avenue Landfill site be put to a use which would serve the community rather than the pre-designated master developer. Neither the Cramer Hill Tomorrow plan, nor any other locally envisioned plan for the revitalization of Cramer Hill, has suggested a golf course as a desirable use. Instead, all plans which have taken into consideration the desires and needs of the community have proposed playing fields, playgrounds, parkland and other uses which match the activities and needs of the residents of Cramer Hill specifically and Camden generally. There is no showing that a golf course is consistent with the needs of the neighborhood or the city. There is no showing that it is unfeasible to remediate the site to standards that would allow alternative uses such as soccer, baseball or picnicking. There is no showing that a golf course, which requires expensive maintenance, is economically feasible. There is no economic or engineering analysis of the consequences to the City of a failed golf venture. In order to protect the playing surface and protect people from flying balls, golf courses are closed, almost invariably by high fences, to all but those very few golfers who have paid the entrance fee. Rather than making this area a resource for the community, the creation of a golf course will remove the land from community use and in the process exclude the community from access to the riverfront greenways corridor.

The City has not shown any reasonable basis for refusing to address the legitimate concerns of the Board, and the stated justifications for the rejection of the recommendations are without merit.

V. TWO COUNCIL MEMBERS HAVE CONFLICTS OF INTEREST AND SHOULD NOT PARTICIPATE IN THE VOTE TO ADOPT THE PLAN

Council Vice President Dana Redd serves as the Chair of the Housing Authority of the City of Camden. Council Member Curtis Jenkins served as a Commissioner of the Authority

until his successor was appointed on July 20, 2005. The Housing Authority owns and operates Ablett Village, which is situated in Cramer Hill and slated for acquisition and demolition in the Redevelopment Plan. The terms of acquisition of Ablett Village and the provision of replacement units are issues that must be negotiated between the City and the Housing Authority or otherwise resolved in order to implement this Plan. This creates a conflict of interest for the Council members who simultaneously must consider the interests of both the City and the Housing Authority with regard to the transaction. Council Members Redd and Jenkins violate Local Government Ethics Law, N.J.S.A. 40A:9-22.1 *et seq*, and state common law by participating in any voting on the Plan.

VI. THE REDEVELOPMENT PLAN IS ARBITRARY, CAPRICIOUS, AND IN VIOLATION OF STATE LAW, THE NEW JERSEY CONSTITUTION, THE U.S. CONSTITUTION, CIVIL RIGHTS LAWS, AND FEDERAL HOUSING LAWS

As Council is aware, there is litigation pending challenging the legality of the proposed Plan. The cases brought by three business owners and the case filed by SJLS on behalf of three resident organizations and 211 individual residents have been consolidated. The Court ruled on one narrow issue in the case, invalidating the most recent vote of Council adopting the Plan because the City had not complied with statutory requirements for public notice. The litigation is on hold, pending a determination by the City whether to readopt the current Plan.

The Plan before Council for readoption is exactly the same plan that was challenged in these lawsuits. Counsel for all parties intend to pursue their claims in the event that Council readopts this Plan. Below is a summary of the legal claims raised by SJLS on behalf of Cramer Hill residents in this litigation.³¹

A. The Plan is arbitrary, capricious, and does not meet the requirements of state redevelopment laws

This Plan does not comply with the Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-1 *et seq.*, for numerous reasons, including the following:

- The Study did not provide a basis for declaring the entire neighborhood an area in need of redevelopment;
- The developer-driven process by which the Plan was enacted, starting with the “conditional” selection of Cherokee Camden by the Camden Redevelopment Agency, made months before determination of neighborhood needs and public presentation of the Plan was legally flawed;
- The involvement of the Camden Redevelopment Agency in the process prior to valid enactment of a redevelopment plan was unauthorized by law;
- The Plan does not contain adequate provision regarding relocation;
- The Plan is not consistent with the City’s Master Plan and with prior planning initiatives for this area;

³¹ These claims are in addition to any procedural issues, such as conflicts of interest, which may arise at the time of this third vote by Council on the Plan.

- The Plan contravenes the LRHL’s purpose, which is to “advance community interests” in ways that “will be most conducive to the social and economic improvement of the state and its municipalities.” pursuant to N.J.S.A. 40A:12A-2.

B. The Plan Violates the General Welfare under Article I, Paragraph 1 and Article VIII, Paragraph 3 of the New Jersey Constitution

In N.A.A.C.P. v. Twp. of Mt. Laurel, 67 N.J. 151, 179, cert. denied, 423 U.S. 808, 96 S.Ct. 18, 46 L.Ed.2d 28 (1975) (Mt. Laurel I), the New Jersey Supreme Court held that municipalities had an affirmative obligation under the New Jersey Constitution to “plan and provide, by its land use regulations, the reasonable opportunity for an appropriate variety and choice of housing, including, of course, low and moderate cost housing, to meet the needs, desires and resources of all categories of people who may desire to live within its boundaries, and municipalities may not adopt regulations or policies which thwart or preclude that opportunity.” Id. Accordingly, to be constitutionally valid, a redevelopment plan must: (1) provide for the replacement, on a one-for-one basis, of all housing units produced or assisted with federal or state subsidies, including Section 8 rental vouchers; (2) ensure an available supply of housing within the municipality that is affordable by low-income people, whether subsidized or not; and (3) ensure a reasonable and realistic opportunity for low- and moderate-income persons to reside in or remain within the community.

The Plan clearly misses the mark on all three points. It proposes demolishing 506 units of subsidized rental housing serving the lowest income residents, without any provision for replacement of these units with similar housing affordable to the same population of residents. The Plan also does not guarantee replacement of non-subsidized, but very affordable homeownership and rental units that the City plans to demolish. The redevelopment plan will also lead to drastic change in the fabric of the Cramer Hill community. Current residents fear that they will eventually be forced out through indirect as well as direct displacement as the result of rising rents and skyrocketing property taxes.

As a result, the revised Plan fails to meaningfully provide an appropriate variety and choice of housing, including, of course, low and moderate cost housing, to meet the needs, desires and resources of all categories of people who may desire to live within its boundaries. Without adequate and secure low- and moderate-income replacement units, many residents will be forced out into a housing market where there is a severe shortage of affordable housing and they are likely to end up homeless or living in substandard, unaffordable, and/or overcrowded housing.

C. Implementation of the Plan requires an unlawful taking in violation of the Fifth Amendment to the United States Constitution, and Article I Paragraph 20, and Article VIII, Section 3, Paragraph 1 of the New Jersey Constitution

Premised on a pre-textual finding that the Cramer Hill neighborhood is an Area In Need of Redevelopment under the LRHL, the revised Cramer Hill Redevelopment Plan eviscerates the public use requirement of the Federal and State Constitutions by allowing exercise of eminent domain power to take property from private citizens and give it to another private party purely

for “economic development.” Allowing the government or its designated delegate to take property simply because it can put the property to a “higher use”, absent solid justification, places the burden of economic development on those least able to bear it, exacting economic, psychic, political and social costs. Such a result clearly violates the takings clauses of both the Federal and State constitutions.

D. The Plan is discriminatory because it will cause hardship to the predominately Latino and African-American residents of Cramer Hill

Cramer Hill is a diverse community of 10,035 residents, 65% who are Hispanic or Latino of any race, and 27% who are African-American. Implementation of the Plan would therefore cause the greatest hardship on these predominately African-American and Hispanic residents, as they constitute the majority of the residents who are likely to lose their homes and be forced out of the neighborhood, while a more predominately white and affluent population would be likely to benefit from the creation of market rate units and other amenities proposed in the Plan. As a result, the designation and the Plan could have a discriminatory effect upon current Cramer Hill residents.

E. The proposed demolition of public and Section 8 subsidized housing violates federal housing law.

The Camden Redevelopment Authority, City Planning Board, and City Council have violated the substantive and procedural mandates of 42 U.S.C. § 1437p to obtain approval from HUD to demolish the Ablett Village public housing development and relocate the residents. The City has also violated the procedural requirements of Section 250 of the National Housing Act, 12 U.S.C. § 1715z-15, and Section 8(t) of the United States Housing Act, 42 U.S.C. § 1437f(t), which require notice to Centennial Village residents, HUD approval in order to prepay the mortgage or purchase the property, HUD permission to terminate an unexpired Housing Assistance Payments Contract and Regulatory Agreement, and HUD approval and an allocation for funding of enhanced vouchers to relocate the residents.

VII. CONCLUSION

The procedural hurdles encountered by the City in earlier voting on the Plan have resulted in this Council now having a fresh opportunity to revisit and reconsider the Redevelopment Plan. Our clients ask this Council to take advantage of this opportunity and reject this seriously flawed Plan, and to work with residents and other stakeholders to develop a proposal to rehabilitate Cramer Hill in a way that meets the needs of Cramer Hill and other City residents.

Thank you for your consideration of these comments.

Very truly yours,

Olga D. Pomar, Esq.
SOUTH JERSEY LEGAL SERVICES

HANDDELIVERED TO COUNCIL AT CITY COUNCIL MEETING
WITH ATTACHMENTS

cc: Mr. Lewis Wilson, Esq. (by regular mail)
Mr. Joseph Kenney, Esq. (by regular mail)
Ablett Village Residents Council (by regular mail, without attachments)
Centennial Village Tenants Action Council (by regular mail, without attachments)
Cramer Hill Residents Association, Inc. (by regular mail, without attachments)
Mayor Gwendolyn Faison (by regular mail, without attachments)
Chief Operating Officer Melvin R. Primas (by regular mail, without attachments)

LIST OF ATTACHMENTS

- A. SLJS Comments to Planning Board, dated May 11, 2004 (without attachments)
- B. GIS Map % Below Poverty, obtained from the Camden Resources website,
www.camdenresources.org
- C. 2000 U.S. Census Data
- D. Letter of A. Beveridge dated Nov. 30, 2004, with attachments
- E. LSNJ Report, "The Critical Shortage of Affordable Housing In New Jersey"
- F. The Real Costs of Living in 2002: The Self-Sufficiency Standard in New Jersey
- G. Priced Out in 1998: the Housing Crisis for People with Disabilities
- H. Excerpts from Out of Reach Report
- I. Excerpts from Deposition of Melvin R. Primas, May 2, 2005
- J. Excerpts from Deposition of Arijit De, April 29, 2005
- K. Excerpts from Deposition of Anselm Fusco, April 28, 2005
- L. Chart: Funding Sources
- M. Chart: Current Camden Housing Development Projects
- N. Chart: Ablett Village Demolition/Disposition
- O. Chart: Council on Affordable Housing 2004 Regional Income Limits
- P. City of Camden WRAP
- Q. Excerpts from Camden Redevelopment Agency files relating to Cramer Hill housing development